



# City and County of San Francisco OFFICE OF THE CONTROLLER

ANNUAL BUDGET REPORT:

5/S

June 30, 2000



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# OFFICE OF THE CONTROLLER

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## CONCESSION AUDIT REPORT:

Alioto's Restaurant  
July 1, 1997 Through June 30, 2000

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Audits Division  
Audit Number 00021

January 17, 2001





Edward Harrington  
Controller

Matthew H. Hymel  
Chief Assistant Controller

January 5, 2001

Audit Number 00021

Port Commission  
City and County of San Francisco  
Ferry Building, Suite 3100  
San Francisco, CA 94111

President and Members:

The Controller's Audits Division presents its report concerning the concession audit of Alioto Fish Co., Ltd. (Alioto). Alioto has a lease with the Port of San Francisco (Port) to operate Alioto's Restaurant, sidewalk food stands, and related activities at Pier 49, Fisherman's Wharf.

**Reporting Period:** July 1, 1997 through June 30, 2000

**Rent Paid:** \$1,589,207

**Results:**

Alioto correctly reported gross sales of \$24,449,322 and correctly paid its rent to the Port.

Respectfully submitted,

NORIAKI HIRASUNA  
Director



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## **INTRODUCTION**

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In 1970, the San Francisco Port Commission (Port) entered into a lease with Alioto Fish Co., Ltd. (Alioto). The lease allows Alioto to operate a restaurant called Alioto's Restaurant, sidewalk food stands, and related activities at Pier 49, Fisherman's Wharf until 2036. The lease requires Alioto to pay monthly to the Port the greater of a minimum rent, or a percentage rent equal to 6.5 percent of food and beverage sales and 8.5 percent of other sales. For the audit period, the monthly minimum rent increased from \$10,812 to \$12,749.

## **SCOPE AND METHODOLOGY**

The purpose of this audit was to determine if Alioto complied with the reporting and payment provisions of its lease with the Port. To conduct the audit, we reviewed the applicable terms of Alioto's lease, and the adequacy of Alioto's procedures for recording, summarizing, and reporting gross sales to the Port. To determine whether Alioto accurately reported its gross sales of the restaurant to the Port, we tested on a sample basis Alioto's Restaurant monthly sales summaries, daily sales reports, and cash register tapes. We also compared for selected quarters the gross sales Alioto reported to the Port with the sales Alioto reported to the California Board of Equalization.





# AUDIT RESULTS

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## ALIOTO CORRECTLY REPORTED ITS GROSS SALES AND CORRECTLY PAID ITS RENT

From July 1, 1997 through June 30, 2000, Alioto correctly reported gross sales of \$24,449,322 and correctly paid rent of \$1,589,207 to the Port. The table below shows the reported gross sales and rent paid to the Port.

**Gross Sales and Rent Paid  
July 1, 1997 through June 30, 2000**

	Gross Sales	Rent Paid
July 1, 1997 through June 30, 1998	\$7,895,072	\$513,180
July 1, 1998 through June 30, 1999	8,086,209	525,604
July 1, 1999 through June 30, 2000	8,468,041	550,423
Total	\$24,449,322	\$1,589,207

We conducted this review according to generally accepted government auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Staff: Ben Carlick, Audit Manager  
Patricia Wu

cc: Mayor  
Board of Supervisors  
Civil Grand Jury  
Public Library





